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## OUTOKUMPU SIGNS FINAL AGREEMENT ON THE TUBULAR JOINT VENTURE

Outokumpu and Tubinoxia, an Italian company controlled by Andrea Gatti, have signed the agreement on the joint venture for Outokumpu's tubular unit (OSTP). Tubinoxia will become a minority owner of OSTP with an option to become a majority owner in three years. The joint venture is expected to become effective from the beginning of October. Its purpose is to turn OSTP into a profitable entity and staying as an owner in the medium term enables Outokumpu to retain a substantial part of the expected value increase while still having the intention to divest the business.

The main terms of the agreement are according to the letter of intent, which was announced in July. In the first phase Tubinoxia will own 36% of the shares in OSTP. Additionally, it has an option to acquire shares up to 51% in a three years' time period. Outokumpu has an option to redeem the shares initially acquired, at original value, if Tubinoxia will not acquire the majority. It is also agreed that Outokumpu will remain OSTP's main raw material supplier. The initial sale of shares will not result in any material financial impacts for Outokumpu. Outokumpu will initially be responsible for the financing of the business. Any future sale of shares would be executed at a price that is reflecting the then prevailing financial performance of the business.

Outokumpu will manage OSTP through a board of directors. The majority of the members including the chairman will be appointed by Outokumpu as long as Outokumpu is the majority shareholder. Tore Bäckström, Senior Vice President at Volvo Bus Corporation with responsibility for the operations in North and South America, has been appointed chairman of the board. Other members are Andrea Gatti, Outokumpu's CFO Esa Lager, and Christer Asp, a long-time OSTP executive who has held numerous positions, amongst others the responsibility for the units in Jakobstad in Finland and Saudi Arabia.

Andrea Gatti will assume the position of the managing director for OSTP. He has more than 25-years' experience in the stainless steel industry as an entrepreneur and he was an Outokumpu executive during 2005-2009. Andrea Gatti has full trust and support from Outokumpu during the turn-around, which aims for a clear improvement in the performance of the business. Kalle Luoto from Outokumpu has been appointed the Chief Financial Officer of OSTP. The turnaround plan, which includes significant streamlining of the production structure, optimisation of the product portfolio and general cost reduction will be finalised during the coming weeks.

OSTP produces welded stainless steel process pipes and tubes as well as threaded and butt weld fittings. It employs some 850 employees and has 10 production sites in Sweden, Finland, Saudi Arabia, Estonia and Canada. The Wildwood unit in Florida, USA, previously part of OSTP, will not be part of the joint venture, but will remain fully owned by Outokumpu.

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OUTOKUMPU OYJ

**Outokumpu** is a global leader in stainless steel with the vision to be the undisputed number one. Customers in a wide range of industries use our stainless steel and services worldwide. Being fully recyclable, maintenance-free, as well as very strong and durable material, stainless steel is one of the key building blocks for sustainable future. Outokumpu employs some 8 000 people in more than 30 countries. The Group's head office is located in Espoo, Finland. Outokumpu is listed on the NASDAQ OMX Helsinki.  
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